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MIDDLE EAST - AFRICA - SOUTH ASIA

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Tunisia-Libya

Bourguiba Meets Qadhafi

The Tunisians appear to have finessed yet another push by President Qadhafi to implement his Libyan-Tunisian union scheme during Qadhafi's attendance last week at Tunisia's celebration of the Prophet Mohamed's birthday. By inviting Qadhafi to share the religious holiday, President Bourguiba managed to minimize political overtones inevitably associated with any meeting between the two.

On March 15, the Libyan news agency reported that Bourguiba had extended an invitation to Qadhafi to pay an "official" visit to Tunisia as the head of state of a "brotherly" and neighboring country.



Nevertheless, Qadhafi has not shelved the idea of merger with Tunisia and additional attempts to keep the plan alive are to be expected. The Libyan leader probably will continue to probe for and encourage

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pockets of unrest within Tunisian society as a means of fostering his aims; preparations to pursue union more actively after Bourguiba dies probably rank high on Qadhafi's list of priorities. As for Tunis, the principal figures in the present power structure remain adamantly opposed to close political association with Libya and they are not likely to change their attitude. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM)

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Rhodesia

Access to Sea May Be Endangered

Rhodesia may lose its vital trade routes through Mozambique's seaports of Lourenco Marques and Beira.

The Front for the Liberation of Mozambique, which has a dominant role in Mozambique's transitional government, will be under increasing African pressure to deny the routes unless a constitutional settlement providing for black majority rule in Rhodesia can be worked out by June, when Mozambique becomes fully independent from Portugal. Mozambique benefits substantially from the rail and port earnings it receives for handling Rhodesia's overseas trade and has not yet applied the UN economic sanctions against the Smith regime. When an independent Mozambique becomes a member of the Organization of African Unity, however, it will probably come under pressure to implement the sanctions.

Front President Samora Machel, the presidents of Tanzania, Zambia and Botswana, and South African Prime Minister Vorster have been trying to mediate between Prime Minister Smith and the black Rhodesian nationalists. Some time ago, the four black African leaders promised the Rhodesian nationalists that their governments would eventually support intensified efforts to bring down the Smith government if it refuses to settle.

The impact on Rhodesia of losing its Mozambique outlets would be severe. The two ports handle the overwhelming majority of Rhodesian trade.

Alternative routes via South Africa--two rail lines and two roads--would have to be substantially improved before they could handle increased Rhodesian traffic. Moreover, South African facilities already are heavily congested, and Pretoria

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would not be eager to disrupt its domestic services to accommodate Rhodesia. Vorster, in fact, reportedly has warned Smith that South African ports could not be used as alternatives to Lourenco Marques and Beira.

The loss of the Mozambique ports probably would force Rhodesia to cut its trade by more than half. Export earnings, mainly from agriculture, mining, and mineral processing, account for about 25 percent of Rhodesia's gross domestic product. A reduction in imports would cut into procurement of needed parts and equipment and limit supplies of fuel and raw materials for industry. Rhodesia is self-sufficient in most foods.

Rhodesia faces other significant economic problems that probably will retard economic growth this year, even if Mozambique leaves the trade routes open. Poor weather during the current growing season will result in a substantial reduction from the record harvest of last year.

Falling prices for Rhodesia's raw materials exports will reduce income from trade. A 10-percent tax surcharge, imposed in September to help pay increased military costs, will cut consumer demand. Moreover, the high cost of oil and other imports will continue to fuel inflation, which doubled last year to about 7.5 percent.

These economic troubles will reduce Rhodesia's attractiveness to white immigrants. Rhodesia depends on white immigration to fill skilled and professional positions, largely denied to blacks.

A public relations program begun early in 1974 to increase white immigration has been a failure. The country's net gain through immigration dropped to 600 persons in 1974 from 1,640 in 1973 and 8,840 in 1972. The white birth rate has been falling and is now less than 1 percent annually.

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Slowing growth will also retard the expansion of black job opportunities. As it is, new openings for blacks have been barely keeping pace with the growth of the black population. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Kenya

Parliamentary Group Probing Kariuki Murder

Members of the Kenyan parliamentary committee, which is investigating the murder of regime critic J. M. Kariuki, are reported as increasingly concerned that they will be accused by the public of a cover up if they are unable to produce evidence against the government.

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The government has thus far not put pressure on the committee,

Kenyatta could respond to a critical report by dismissing parliament and perhaps declaring martial law. Such a move would increase instability in Kenya.

Speakers and the crowd at Kariuki's funeral were hostile toward Kenyatta--who was not present--and the normally docile Kenyan press reported the event fully. Kenyatta was given the silent treatment--instead of the applause he usually draws--when he appeared before a large crowd in the capital on March 21. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Ethiopia

Some Military Protest Council Policies

and men of two important units of the Ethiopian armed forces have protested some of the policies adopted recently by the ruling military council.

Members of the 3rd Division, which guards the border with Somalia, recently registered their dissatisfaction with the land reform proclamation issued by the council on March 4. By letter and personal emissaries, they reportedly informed the council they could not support the nationalization of all agricultural land because this would deny them the grants of land traditionally given to servicemen upon retirement. They requested that the military be exempted. The council is unwilling to grant such an exemption, but is concerned about the protest and is undecided about how to resolve the matter.

Last week, airmen stationed at the main air force base south of Addis Ababa reportedly protested the council's requirement that more affluent Ethiopians contribute the equivalent of a month's income to the drought relief fund. The airmen say they have already contributed enough. Representative of the council arrived at the base on March 26 and some army units are surrounding the base, while negotiations proceed.

The protestors appear to be mainly interested in expressing their dissatisfaction; at this time, there is nothing to suggest that they intend to take any further action. Their objections, however, show that the council continues to face problems from within the armed forces, its base of power. Such protests could also encourage new coup plotting by opponents of the council. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM)

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Sri Lanka

Relations with North Korea and China

Sri Lanka and North Korea agreed to resume diplomatic relations during a recent visit by Prime Minister Bandaranaike's son Anura to Pyongyang. Diplomatic relations were suspended by Mrs. Bandaranaike in March 1971 as a result of her strong suspicions of North Korean complicity in an insurrection that almost toppled her government. For the present, North Korea's ambassador to India will be concurrently accredited to Colombo; an exchange of resident ambassadors will probably take place next year.

Both sides were apparently quite pleased with the results of the Pyongyang meetings. Anura Bandaranaike was warmly received by Kim Il Sung, who met with the Ceylonese visitor for three hours, and other top officials. Kim apparently sought Ceylonese support for North Korean membership in the non-aligned group and hinted that he might lead a delegation to the nonaligned summit conference scheduled for 1976 in Colombo. The North Koreans agreed to extend modest new economic aid, including tractors, water pumps and other agricultural equipment to Sri Lanka. Pyongyang has been working hard to broaden its diplomatic relations, partly in anticipation of another debate on the Korean issue at the UN next fall.

Despite the agreement to restore full diplomatic ties, Mrs. Bandaranaike probably remains deeply suspicious of the North Koreans, and relations are unlikely to grow very warm. She probably decided to restore ambassadorial ties with Pyongyang now out of a desire to strengthen relations with as many nations as possible prior to the conference in 1976. Additionally, Ceylonese claims against Pyongyang for unsettled trade debts apparently were not addressed during Anura Bandaranaike's visit and remain a potential irritant to better relations.

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A visit by Mrs. Bandaranaike's son to China, on the same trip, reinforced Colombo's already warm relations with Peking. He met with Premier Chou en-Lai, and Peking also agreed to donate water pumps and other agricultural equipment. He also met with Prince Sihanouk of Cambodia. Sihanouk, who is on good terms with Mrs. Bandaranaike, announced his intention to lead a Cambodian delegation to the non-aligned summit. (CONFIDENTIAL)

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